



August 30, 2019

VIA EMAIL (larrykwikticket@yahoo.com)

Mr. Larry Spiewak
c/o Kwik Ticket Inc.
4101 Glenwood Road
Brooklyn, New York 11210

Re: Theft From Kwik Ticket Inc.

Dear Mr. Spiewak:

This firm represents Ms. Florence Shamah, 50% shareholder of Kwik Ticket Inc., a New York corporation of which you are the other 50% shareholder. As you know, over the past several months Ms. Shamah, through her representatives, has repeatedly tried to get from you access to all of the company's books and records. Yet you have stonewalled those efforts, doling out information in bits and pieces in an attempt to mask your misconduct. But even the limited information received discloses a stunning pattern of systematic looting and stealing from the company on your part.

Your criminal conduct includes hundreds of checks made out to "cash" for phantom business expenses. Most of these checks were presented at the bank and withdrawn in currency by your co-conspirator, Malkah Jacobovits; others were deposited into either your or her personal bank accounts. These checks were recorded on the company's books as payments to vendors for expenses, in an effort to deceive your co-owner as well as the taxing authorities, when in fact you took the cash. A separate scheme involved checks drawn to fictitious vendors, or actual vendors who did not provide goods or services (including Basic Office Essentials, an entity which you apparently control). Many of these payments too were somehow endorsed by Ms. Jacobovits and withdrawn in cash, or deposited into your or Ms. Jacobovits's bank accounts.

Similarly, enormous amounts of personal credit card charges of you and your wife were paid with company funds. Indeed, during the ongoing IRS tax audit, some of these personal expenses were identified and disallowed by the IRS agent. Also troubling is the fact that you have added your wife to the payroll at an outsized salary, despite the fact that she does virtually no work for the company.



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Although in the absence of all the records we cannot determine the full extent of your theft, it is certainly in the millions of dollars. And all of this was done unilaterally by you without the consent, or even knowledge, of the other shareholder.

You seem to think that Kwik Ticket is your personal piggy bank, and that you have sole authority to make material decisions -- despite the fact that Ms. Shamah is supposed to have equal say and control. A stark example is your August 26, 2019 email to Ms. Shamah's agent, Ike Shamah, in which you announce that the company is stopping the Shamah family's distributions, and will not be covering certain expenses as has been the historical practice, merely because they disagree with you regarding IRS issues. True to your threat, you cut off their weekly payments, which were to have been direct deposited yesterday – payments which they live off. Thus, while you line your own pockets and enrich yourself and your family members with company funds, you have attempted to render destitute your 50% partner and take financial advantage of her. Of course, all of this is contrary to the parties' shareholder's agreement and New York law.

The main purpose of this letter is to advise you that, unless you forthwith restore the Shamah distributions and resume payment of expenses, we will promptly seek applicable remedies, which will include, but not limited to, your removal from the company. (Moreover, note that we vigorously dispute that such unequal distributions are proper, but at a minimum the unequal amounts must be restored immediately.) Please confirm no later than the close of business on Tuesday, September 5, 2019 that you will comply with the foregoing demand. Silence will be construed as refusal, and we will proceed accordingly.

The foregoing is without prejudice to my client's rights and remedies, all of which are expressly reserved.

Very truly yours,

Joseph Lee Matalon

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